

Greater New Haven Water Pollution Control Authority

State Compliance Report
Fiscal Year Ended June 30, 2022

Contents

Report required by the *Government Auditing Standards*

Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	1-2
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----

Report required by the State Single Audit Act C.G.S. Section 4-230 to 4-236

Report on compliance for the major state program; report on internal control over compliance; and report on the schedule of expenditures of state financial assistance required by the State Single Audit Act	3-5
Schedule of expenditures of state financial assistance	6
Notes to schedule of expenditures of state financial assistance	7
Schedule of state single audit compliance findings and questioned costs	8
Summary of prior year audit findings	9

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditor's Report

Board of Directors
Greater New Haven Water Pollution Control Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, of the Greater New Haven Water Pollution Control Authority (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 16, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM VS LLP

Hartford, Connecticut
December 16, 2022

**Report on Compliance for the Major State Program;
Report on Internal Control Over Compliance; and Report on
Schedule of Expenditures of State Financial Assistance Required by the
State Single Audit Act**

Independent Auditor's Report

Board of Directors
Greater New Haven Water Pollution Control Authority

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Greater New Haven Water Pollution Control Authority (the Authority) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on the Authority's major state program for the year ended June 30, 2022. The Authority's major state programs is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2022.

Basis for Opinion for the Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the business-type activities of the Authority as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We have issued our report thereon dated December 16, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

RSM VS LLP

Hartford, Connecticut
December 16, 2022

**Greater New Haven
Water Pollution Control Authority**

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2022**

State Grantor/ Pass-Through Grantor/ Program Title	State Grant Program CORE-CT Number	Passed Through to Subrecipients Subrecipients	Expenditures
State Department of Energy and Environmental Protection: Clean Water Fund	21014-OTT14000-40001	\$ -	\$ 3,909,491
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 3,909,491</u>

See notes to schedule of expenditures of state financial assistance.

**Greater New Haven
Water Pollution Control Authority**

**Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2022**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes state grant activity of the Greater New Haven Water Pollution Control Authority (GNHWPCA) under the program of the State of Connecticut (the State) for the fiscal year ended June 30, 2022. The Department of Environmental Protection of the State has provided financial assistance to GNHWPCA through grants and loans in accordance with the General Statutes of the State.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the GNHWPCA conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The information in the Schedule is presented based upon regulations established by the State, Office of Policy and Management, which conforms to GAAP.

Basis of accounting: The expenditures reported on the Schedule are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. The GNHWPCA has no such grants in the current year.

Note 3. Loan Program

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the Schedule shall include loans and loan activities. The following is a summary of the loan program activity for the year ended June 30, 2022:

Department of Energy and Environmental Protection:

Clean Water Fund 21014-OTT14000-40001:

Balance June 30, 2021	Issued	Retired	Balance June 30, 2022
\$ 58,936,867	\$ 2,925,009	\$ 5,067,970	\$ 56,793,906

**Greater New Haven
Water Pollution Control Authority**

**Schedule of State Single Audit Compliance Findings and Questioned Costs
For the Year Ended June 30, 2022**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

State Financial Assistance

Internal control over major program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major program: unmodified.

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ Yes X No

The following schedule reflects the major program included in the state compliance audit:

<u>State Grantor and Program</u>	State CORE-CT Number	<u>Expenditures</u>
Department of Energy and Environmental Protection		
Clean Water Fund	21014-OTT14000-40001	\$ 3,909,491
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 200,000</u>

II. Financial Statement Findings

No matters were reported.

III. Findings and Questioned Costs Relating to State Financial Assistance

No matters were reported.

**Greater New Haven
Water Pollution Control Authority**

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2022**

There were no findings noted in the year ended June 30, 2021.